



# South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

## ECONOMIC TRENDS

The seasonally adjusted unemployment rate for June in the Twin Falls/Jerome Micropolitan Statistical Area was 3.2 percent, unchanged from May but three-tenths of a percentage point lower than June 2005. The civilian labor force increased by 2,400, or 4.9 percent, year-over-year.

Historic low unemployment rates continue in the region with most sectors doing very well. Once again construction is strong with a very good blend of residential, heavy and specialty projects progressing well. For the near-term, no slow down is expected. Retail trade employment was up 6.9 percent while there were 10.7 percent more jobs in trade, transportation and utilities. The only sectors to lose ground from June 2005 were professional and business services dropping 1.8 percent, information down 3.2 percent and food manufacturing off 1.2 percent.

## ECONOMIC DEVELOPMENT: South Central Idaho's Formula for Success

Prior to the turn of the 21<sup>st</sup> Century, south central Idaho had a very predictable agricultural-based economy. Agriculture, food processing, retail and services were the main component of the economy. That injected a lot of seasonality into employment, tying the fortunes of the economy to agriculture. Unemployment remained higher, the economic well-being of the area fluctuated and there was a great deal of vulnerability inherent in the relatively non-diversified economy. The only major change that took place was the exponential growth in dairy and related industries in the decade of the 1990's. This growth, mainly concentrated in Gooding, Jerome and Twin Falls counties, was huge and beneficial to the region's economy. Dairy effectively eliminated some of the seasonality of

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

				% Change From	
	Jun 2006*	May 2006	Jun 2005	Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	50,890	50,550	48,490	0.7	4.9
Unemployment	1,640	1,620	1,720	1.2	-4.7
% of Labor Force Unemployed	3.2	3.2	3.5		
Total Employment	49,250	48,930	46,770	0.7	5.3
<i>Unadjusted</i>					
Civilian Labor Force	51,340	50,630	49,050	1.4	4.7
Unemployment	1,530	1,420	1,600	7.7	-4.4
% of Labor Force Unemployed	3.0	2.8	3.3		
Total Employment	49,810	49,210	47,450	1.2	5.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	39,880	39,470	37,660	1.0	5.9
Goods-Providing Industries	6,880	6,760	6,450	1.8	6.7
Natural Resources & Mining	40	40	40	0.0	0.0
Construction	2,380	2,300	2,080	3.5	14.4
Manufacturing	4,460	4,420	4,330	0.9	3.0
Food Manufacturing	2,450	2,450	2,480	0.0	-1.2
Other Manufacturing	2,010	1,970	1,840	2.0	9.2
Service-Providing Industries	33,000	32,710	31,200	0.9	5.8
Trade, Transportation & Utilities	10,020	9,980	9,050	0.4	10.7
Wholesale Trade	1,910	1,890	1,800	1.1	6.1
Retail Trade	5,760	5,730	5,430	0.5	6.1
Utilities	160	160	170	0.0	-5.9
Transportation & Warehousing	2,210	2,210	1,650	0.0	33.9
Information	610	610	630	0.0	-3.2
Financial Activities	1,780	1,760	1,660	1.1	7.2
Professional & Business Services	5,010	5,000	5,100	0.2	-1.8
Educational & Health Services	3,550	3,460	3,270	2.6	8.6
Leisure & Hospitality	3,400	3,250	3,280	4.6	3.7
Other Services	1,370	1,370	1,370	0.0	0.0
Government Education	3,210	3,400	2,930	-5.6	9.6
Government Administration	4,030	3,870	3,910	4.1	3.1

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

the crop sector, and many seasonal farm workers dropped out of the migrant stream and became permanent workers in the area. However, despite the huge job infusion from this dairy growth, south central Idaho still remained dependent on agriculture.

In 2000, things began to change. The city of Twin Falls commissioned an Atlanta-based consultant, Lockwood-Greene, to study the local economy, list its strengths and weaknesses and point out the sectors to be targeted for economic development. Lockwood-Greene concluded that the area had good potential not only for agriculture and food processing but also light manufacturing and technology. At the same time, the study cited a lack of regional cooperation. Each city or region thought only in terms of its local development rather than understanding that a new, large employer in Jerome would

benefit Twin Falls and vice-versa. It concluded that “turfism” could undermine all economic development efforts and keep the region stagnant.

The findings of this report were taken to heart, especially in the western part of the region, and a spirit of regional cooperation emerged. In 2001, the Southern Idaho Economic Development Organization was created. It was formed under the supervision of the College of Southern Idaho, and the region’s western counties were immediately on board. The mission was to create a central organization to recruit economic development prospects and then pass them on to the various economic development individuals in member cities and rural areas. Coincidentally, the organization’s first prospect in June of 2001 was Dell Inc., a Fortune 50 company. The economic development process consists of first identifying potential prospects and providing them with general information, most specifically demographics, work force quality and availability, wage data and potential buildings or real estate sites compatible with the prospect’s specifications. The goal is to bring the prospect or its consultants to the region so a full-scale development presentation can be made. The regional economic development organization took a common sense approach and developed what is called a Ready Team that consists of those who can best make presentations and answer questions. Representatives from the College of Southern Idaho, Idaho Commerce & Labor, local utilities, city engineers, local economic development specialists and real estate professionals typically are part of the Ready Team. The team’s size and makeup will vary depending on the questions received from the prospect and the area being considered.

With the Ready Team in place and regional cooperation assured, Twin Falls was chosen out of 3,300 cities in the Western Hemisphere by Dell for its consumer technical support call center. Originally foreseen to employ about 200 workers, the local workers proved to be so trainable and the work ethic so outstanding that the size of the call center has grown to 650. The local office of Idaho Commerce & Labor created a Dell command center that screened thousands of applicants, and the College of Southern Idaho trained prospective Dell employees with the assistance of Workforce Development Training Fund grants. In 2002, Idaho Commerce & Labor and the College of Southern Idaho were cited by the U.S. Sec-

retary of Labor as the top example of “One Stop Partnership” in the United States. Since then, Dell has upgraded the Twin Falls facility to a business relationship call center and has improved wages and promotional opportunities.

Since the arrival of Dell, the area has become very attractive to prospective employers. As the Ready Team has gained confidence and streamlined its procedures, south central Idaho has become one of Idaho’s premier economic development success stories. Even as unemployment decreased, the Ready Team was able to demonstrate that there were still highly skilled workers available because of wage underemployment, and they could be quickly and effectively trained for most occupations. In 2004-2005, three major new light manufacturers came to the region. Jayco Inc., one of the nations largest and most respected recreational vehicle manufacturers, located in Twin Falls. Hilex-Poly Co., one of the nation’s largest plastic bag manufacturers, located in Jerome. Kiefer-Built, a respected utility trailer manufacturer, located its operation in Gooding. The Mini-Cassia area, that suffered the devastating closure of the JR Simplot potato processing plant and the loss of 700 jobs, joined the economic development organization in late 2003 and has since then been slowly, steadily recovering. Gossner Cheese opened a new cheese processing facility employing about 50 workers in October 2005 and a retail outlet in 2006. Earlier this year, Dutchmen Manufacturing Inc., one of the nation’s largest RV manufacturers, and Mulholland Positioning Systems Inc., a manufacturer of gait assistance equipment for adults and children with cerebral palsy and spina bifida, both announced they would locate in Burley, bringing in about 200 more jobs to begin with. South central Idaho used to be an area dependent on one or two sectors with little regional cooperation. In the past several years, it has emerged as a diversified, strong economy, able to better handle recession or the closure of a major business. A confident spirit of trust and cooperation has become the norm, and the future looks very bright for this region.

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